

1. FOLLOWING HIS RETURN FROM HASHINGTON, PRESIDENT

THAT PRESIDENT THE RESULTS OF HIS MEETING WITH

HAS VERY PLEASED WITH THE RESULTS OF HIS MEETING WITH

THAT PRESIDENT

THAT PRESIDENT

CATER DID WITH ALL HAS BEAM OF HUTHAL THE CIC RATERAD

PREFERED TO DISCUSS POINTS OF HUTHAL INTEREST. PINOCHET

BELIEVES THAT RELATIONS BETWEEN CHILE AND THE U.S.

WILL IMPROVE. HE CAUTIONED, HOWEVER, THAT THE CHANGE HOULD

DATE JUN 1 1999

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SECRET

PRISABLY BE SLOW AND GRADUAL.

1.5 (c)

2. PINOCHET DID NOT INDICATE THAT ANY POLICY CHANGES HOULD

BE MADE AS A RESULT OF HIS TALK HITH PRESIDENT CARTER. TO THE

CONTRARY, HE

MANT TO END THE STATE OF SIEGE IMMEDIATELY UPON HIS RETURN FROM

WASHINGTON BECAUSE IT NOULD LEAVE HIM OPEN TO CHARGES THAT HE

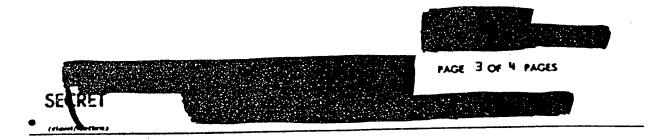
TO

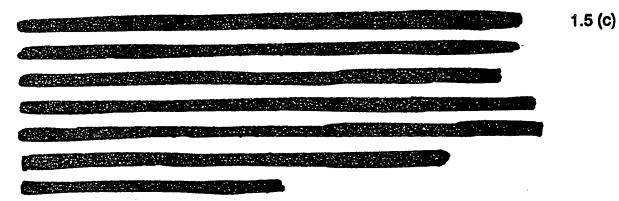
WAS GIVING IN/THE PRESSURES FROM THE U.S. COMMENTS

THAT PRIOR TO HIS DEPARTURE FOR WASHINGTON, PINOCHET MET WITH THE JUNTA AND COMMITTED MIMSELF TO LIFTING THE STATE OF SIEGF ON 11 DECEMBER 1977, AT WHICH TIME HE SAID IT WOULD NOT APPEAR TO BE IN PREPARATION FOR OR AS A PESULT OF HIS VISIT TO THE U.S. WHILE PINOCHET PUBLICLY TOLD THE NATION DURING HIS 11 SEPTEMBER SPEECH THAT HE HOULD NOT LIFT THE STATE OF SIEGE AT THIS TIME, HE DID IN FACT REDUCE IT TO 1TS LOWEST GRADE.

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DID NOT INTEND TO TAKE ANY ACTION

AGAINST THE "GROUP OF TEN" LABOR LEADERS, WHO RECENTLY ISSUED

A PUBLIC STATEMENT STRONGLY CRITICAL OF THE GOVERNMENT.

PINGCHET COMMENTED THAT HE DOES NOT MANT TO GIVE THE "GROUP OF

TEN" MORE ATTENTION THAN THEY DESERVE. HE SAID THAT THEY ONLY

REPRESENT A SMALL FRACTION OF ORGANIZED LABOR, AND THAT HE

PREFERS TO LET THEM FIGHT WITH THOSE LABOR LEADERS WHO SUPPORT

THE GOVERNMENT AND KEEP THE GOVERNMENT ITSELF OUT OF THE HATTER.

COMMENT: SANTIAGO EMBASSY TELGRAM 7468 OF 9 SEPTEMBER

PROVIDED BACKGROUND ON THE "GROUP OF TEN'S" PUBLIC STATEMENT,

WHICH WENT BEYOND UNION RIGHTS! DAMANDS AND CALLED FOR POLITICAL

RIGHTS AS WELL.)

SERET

DENY IN TOTO

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1.5 (c)